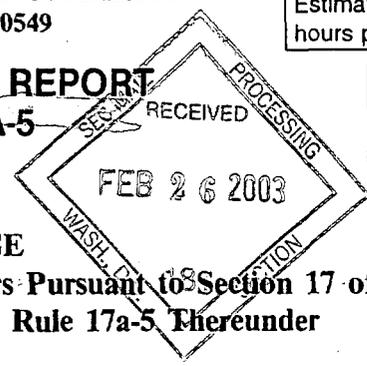




STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

BP 3/3  
OMB APPROVAL  
OMB Number: 3235-0123  
Expires: September 30, 1998  
Estimated average burden  
hours per response . . . 12.00

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**



SEC FILE NUMBER  
8- 34906

**FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 1-1-02 AND ENDING 12-31-02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER:

MMR INVESTMENT BANKERS, INC.

OFFICIAL USE ONLY  
FIRM ID. NO.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)  
215 W. WALNUT, DRAWER A

NEVADA MISSOURI 64772-0930  
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT  
WILLIAM G. MARTIN, JR. 417 549 6100  
(Area Code — Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*  
RICKORDS & ASSOCIATES, P.C.

617 N. 17TH STREET, SUITE 100 COLORADO SPRINGS CO 80904-3578  
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

**PROCESSED**  
MAR 18 2003

FOR OFFICIAL USE ONLY  
THOMSON FINANCIAL

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240.17a-5(e)(2).

BP 3-13

OATH OR AFFIRMATION

I, WILLIAM G. MARTIN, JR., swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of MMR INVESTMENT BANKERS, INC., as of DECEMBER 31, 19 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

PATRICIA SHERILL HUBERT  
Notary Public - State of Missouri  
County of Vernon  
My Commission Expires Nov. 26, 2005

*W G Martin Jr*  
Signature

PRESIDENT

Title

*Patricia Sherill Hubert*  
Notary Public

This report\*\* contains (check all applicable boxes):

- (a) Facing page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

MMR INVESTMENT BANKERS, INC.

Accountants' Report and Financial Statements

FORM X-17a-5  
FOCUS REPORT

Years Ended December 31, 2002 and 2001

MMR INVESTMENT BANKERS, INC.

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RICKORDS & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

617 North 17<sup>th</sup> Street  
Colorado Springs, CO 80904  
(719) 444-0770 (800) 480-0770 Toll Free  
(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
MMR Investment Bankers, Inc.

We have audited the accompanying statement of financial condition of MMR Investment Bankers, Inc., (the Company) as of December 31, 2002 and December 31, 2001, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MMR Investment Bankers, Inc., as of December 31, 2002 and December 31, 2001, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Rickords & Associates, P.C.*  
*Rickords & Associates, P.C.*

Rickords & Associates, P.C.  
February 18, 2003

**FINANCIAL STATEMENTS**

MMR INVESTMENT BANKERS, INC.  
Statement of Financial Condition  
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
<u>ASSETS</u>		
Current Assets:		
Cash and equivalents	\$ 59,417	\$ 27,327
Accounts receivable-trade	<u>13,740</u>	<u>33,793</u>
Total current assets	<u>73,157</u>	<u>61,120</u>
Furniture and equipment	184,982	181,846
Less accumulated depreciation	<u>(180,939)</u>	<u>(178,962)</u>
Net furniture and equipment	<u>4,043</u>	<u>2,884</u>
Total assets	<u>\$ 77,200</u>	<u>\$ 64,004</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts payable	\$ 9,834	\$ 17,842
Payable to registered representatives	28,680	5,865
Pension payable	4,399	00
Payroll taxes payable	<u>8,337</u>	<u>7,294</u>
Total current liabilities- not subordinated	<u>51,250</u>	<u>31,001</u>
Stockholders' equity:		
Common stock(150,000 shares authorized, \$1 par, 115,000 shares issued and outstanding)	115,000	115,000
Retained earnings (deficit)	<u>(89,050)</u>	<u>(81,997)</u>
Total stockholders' equity	<u>25,950</u>	<u>33,003</u>
Total liabilities and stockholders' equity	<u>\$ 77,200</u>	<u>\$ 64,004</u>

The accompanying notes are an integral part of these financial statements.

MMR INVESTMENT BANKERS, INC.  
Statement of Income and Retained Earnings  
For the Years Ended December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Income from Operations:		
Underwriting and Concessions	\$314,868	\$186,958
Consulting	273,414	173,424
Miscellaneous fees and income	49,733	108,917
Total income	<u>638,015</u>	<u>469,299</u>
Operating Expenses:		
Commissions	191,365	117,419
Salaries	254,266	199,086
Employee benefits	40,701	27,378
Travel, entertainment, education and training	33,319	23,014
Bank charges	780	1,132
Insurance and bonds	8,590	10,216
Office supplies, maintenance and repairs	4,599	2,196
Printing and publications	6,881	7,936
Postage and freight	4,212	3,225
Telephone	14,588	13,361
Accounting, auditing and legal	13,766	18,208
Data processing	6,421	2,085
Business registration, licenses and fees	10,149	10,845
Depreciation	1,977	4,078
Taxes	34,054	22,060
Leases and related expense	10,519	21,033
Membership and dues	980	2,545
Meetings	992	5,608
Miscellaneous	7,284	5,296
Total Operating Expenses	<u>645,443</u>	<u>496,721</u>
Net Operating Income (Loss)	(7,428)	(27,422)
Interest income	375	642
Net Income (Loss)	<u>(7,053)</u>	<u>(26,780)</u>
Retained Earnings (deficit)		
Beginning of Year	(81,997)	(55,217)
Retained Earnings (deficit)		
End of Year	<u>\$ (89,050)</u>	<u>\$ (81,997)</u>
Income (Loss) per share	<u>\$ (.06)</u>	<u>\$ (.23)</u>

The accompanying notes are an integral part of these financial statements.

MMR INVESTMENT BANKERS, INC.  
Statement of Cash Flows For the Years Ending  
December 31, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash Flows from Operating Activities:		
Cash received from clients	\$658,066	\$448,280
Interest income	375	642
Cash paid to employees, suppliers for services	<u>(623,215)</u>	<u>(439,869)</u>
Net Cash Provided From Operating Activities	<u>35,226</u>	<u>9,053</u>
Cash flows from Investing Activities:		
Purchase of property & equipment	<u>(3,136)</u>	<u>00</u>
Net Cash Used by Investing Activities	<u>(3,136)</u>	<u>00</u>
Net Increase (Decrease) in Cash and Cash Equivalents	32,090	9,053
Cash and Cash Equivalents at Beginning of Year	<u>27,327</u>	<u>18,274</u>
Cash and Equivalents at End of Year	<u>\$ 59,417</u>	<u>\$ 27,327</u>

RECONCILIATION OF NET OPERATING INCOME  
TO NET CASH PROVIDED/USED FROM OPERATING ACTIVITIES

Net Income (Loss)	<u>\$ (7,053)</u>	<u>\$ (26,780)</u>
Adjustment to Reconcile Net Income to Net Cash Used by Operating Activities:		
Depreciation	1,977	4,078
Changes in assets and liabilities		
Decrease/(Increase) in accounts receivable	20,052	20,377
Increase/(Decrease) in accounts payable and accrued expenses	<u>20,250</u>	<u>11,378</u>
Total Adjustments	<u>42,279</u>	<u>35,833</u>
Net Cash Provided From Operating Activities	<u>\$ 35,226</u>	<u>\$ 9,053</u>

The accompanying notes are an integral part of these financial statements.

MMR INVESTMENT BANKERS, INC.  
Statement of Changes in Stockholders' Equity  
For the years ended December 31, 2002 and 2001

	<u>Common Stock</u>	<u>Retained Earnings (Deficit)</u>	<u>Total</u>
Balance, December 31, 2000	\$115,000	\$(55,217)	\$59,783
Net loss, December 31, 2001	<u>00</u>	<u>(26,780)</u>	<u>(26,780)</u>
Balance, December 31, 2001	115,000	(81,997)	33,003
Net loss, December 31, 2002	<u>00</u>	<u>(7,053)</u>	<u>( 7,053)</u>
Balance, December 31, 2002	<u>\$115,000</u>	<u>\$(89,050)</u>	<u>\$25,950</u>

The accompanying notes are an integral part of these financial statements.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years Ended December 31, 2002 and 2001

(1) Organization and Nature of Business

MMR Investment Bankers, Inc. was chartered by the State of Kansas as a corporation on August 29, 1985. In 2001 the company was registered as a Missouri foreign corporation and conducts business in Missouri. The purpose of the corporation is to carry on a general brokerage and financial business.

In accordance with regulations under the Securities Exchange Act of 1934 the Company is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of various exchanges and the National Association of Securities Dealers (NASD). This is a self-regulating body formed by the industry to protect its members and the investing public.

(2) Summary of Significant Accounting Policies

a. Basis of Presentation

The financial statements include the accounts of the Company. The company is engaged in a single line of business as a securities broker-dealer, which comprises several classes of services, including principal transactions, agency transactions, investment banking, investment advisory, and venture capital businesses.

b. Securities Transactions

Proprietary securities transactions in regular-way trades are recorded on the trade date, as if they had settled. Profit and loss arising from all securities and commodities transactions entered into for the account and risk of the company are recorded on a trade-date basis. Customer's securities and commodities transactions are reported on a settlement-date basis with related commission income and expenses reported on a trade-date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net on the statement of financial condition.

c. Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years ended December 31, 2002 and 2001

d. Statement of Cash Flows

For purposes of the Consolidated Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business.

e. Allowance for Doubtful Accounts

The Company has not established an allowance for doubtful accounts. No receivable is booked until the bond purchaser has remitted the payment to the bond company. The Company's collection is assured at that point. Experience has shown no bad debts.

f. Property and Equipment

Property and equipment are carried at cost. Maintenance and repairs are charged to costs as incurred. Expenditures for major betterments are capitalized. Gain or loss on retirement of property is included in income.

Assets are depreciated over 2 to 7 years on straight-line, accelerated cost recovery system, (ACRS) and modified ACRS (MACRS) as applicable.

Depreciation for 2002 and 2001 was charged as follows:

	<u>2002</u>	<u>2001</u>
Furniture	\$ 76	\$ 76
Data processing equipment	1,155	1,262
Leasehold improvements	00	2,027
Office equipment	746	713
Total	<u>\$1,977</u>	<u>\$4,078</u>

g. Compensated Absences

The company has a policy of two weeks paid vacation and sick leave per salaried employee per year as deemed reasonable. No amounts may be carried over to a subsequent year. No compensated absences have been accrued pursuant to this policy.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years Ended December 31, 2002 and 2001

h. Income Taxes

The Company has elected to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal income taxes on their respective shares of the Company's taxable income.

i. Estimates

There are no significant estimates used in preparation of financial statements. Depreciation is the only estimate present.

(3) Liabilities Subordinated to Claims of General Creditors

There were no borrowings under subordination agreements at December 31, 2002.

The Company had no other debt at December 31, 2002.

(4) Capital Stock

A summary of the corporation's capital stock at December 31, 2002 is as follows:

Common stock -- \$1.00 per value  
Authorized -- 150,000 shares  
Issued and outstanding -- 115,000 shares

(5) Lease Commitments

Operating lease for copying equipment. The lease term is five years beginning November 15, 1999. The rental agreement states that the lessee is allowed to cancel the agreement at any time for non-funding purposes or non-performance of machine and/or lessor.

Lease payments are \$450 a month for sixty months.

Future minimum rental payments are as follows:

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years ended December 31, 2002 and 2001

<u>Year</u>	<u>Amount</u>
2003	\$5,400
2004	\$4,950

(6) Defined Contribution Pension Plan

The Company has established a salary reduction Simplified Employee Pension(SARSEP). The SARSEP may be funded through elective deferral of employee salaries and discretionary employer contributions. The total amount of salary reductions during 2002 and 2001 were \$56,103 and \$37,857, respectively. The company made no employer contributions during 2002 and 2001.

(7) Net Capital Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (rule 15c3-1), which requires the maintenance of minimum net capital. At December 31, 2002 the Company had net capital of \$21,907 which was \$16,907 in excess of its required net capital of \$5,000.

At December 31, 2001, the Company had net capital of \$30,119 which was \$25,119 in excess of its required net capital of \$5,000.

(8) Financial Instruments

The Company maintains three bank accounts at the same financial institution. The balances are \$21.32, \$7.63 and \$59,375.21. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2002, there was no credit risk.

(9) Earnings (loss) per Share

Earnings (loss ) per share of common stock is computed by dividing net income (loss) by the number of common shares outstanding for the year.

(10) Risk

- a. Cash--bank balances are below the amount covered by FDIC insurance and employees are bonded.

MMR INVESTMENT BANKERS, INC.  
Notes to the Financial Statements  
Years Ended December 31, 2002 and 2001

- b. The company is engaged in various trading and brokerage activities in which counterparties primarily include broker-dealers, banks, and other financial institutions. In the event counterparties do not fulfill their obligations, the Company may be exposed to risk. The risk of default depends on the creditworthiness of the counterparty or issuer of the instrument. It is the Company's policy to review, as necessary, the credit standing of each counterparty.

(11) Reconciliation of Focus and Audited Financial Statements

- a. Purchase of fixed assets in the amount of \$3,136 was recorded as an expense necessitating adjustments to the assets, retained earnings and expenses.

- b. Assets:

	Focus	Audited
	\$75,320	\$77,200
Additional fixed assets	3,135	
Additional depreciation	(1,255)	
	\$77,200	\$77,200

- b. Net income:

	Focus	Audited
	\$(8,934)	\$(7,053)
Transfer to fixed assets	3,135	
Additional depreciation	(1,255)	
	\$(7,053)	\$(7,053)

**SUPPLEMENTARY INFORMATION**

**FORM  
X-17A-5**

**FOCUS REPORT**

(5-31-87)

(Financial and Operational Combined Uniform Single Report)

**PART IIA** 12

3/91

(Please read instructions before preparing Form.)

This report is being filed pursuant to (Check Applicable Block(s)):

1) Rule 17a-5(a) 16

2) Rule 17a-5(b) 17

3) Rule 17a-11 18

4) Special request by designated examining authority 19

5) Other 26

NAME OF BROKER-DEALER

MMR INVESTMENT BANKERS, INC.

SEC FILE NO.

8-34906 14

FIRM ID. NO.

14

15

ADDRESS OF PRINCIPAL PLACE OF BUSINESS (Do Not Use P.O. Box No.)

215 W. WALNUT, DRAWER A 13

FOR PERIOD BEGINNING (MM/DD/YY)

1-1-02 20

21

(No. and Street)

AND ENDING (MM/DD/YY)

12-31-02 21

25

NEVADA 21

MISSOURI 22

64772-0930 23

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

WILLIAM G. MARTIN, JR 30

(Area Code)—Telephone No.

417 549 6100 31

31

NAME(S) OF SUBSIDIARIES OR AFFILIATES CONSOLIDATED IN THIS REPORT:

32

34

36

38

OFFICIAL USE

33

35

37

39

DOES RESPONDENT CARRY ITS OWN CUSTOMER ACCOUNTS? YES 40 NO  41

CHECK HERE IF RESPONDENT IS FILING AN AUDITED REPORT  42

**EXECUTION:**

The registrant/broker or dealer submitting this Form and its attachments and the person(s) by whom it is executed represent hereby that all information contained therein is true, correct and complete. It is understood that all required items, statements, and schedules are considered integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

Manual signatures of:

1) \_\_\_\_\_  
Principal Executive Officer or Managing Partner

2) \_\_\_\_\_  
Principal Financial Officer or Partner

3) \_\_\_\_\_  
Principal Operations Officer or Partner

**ATTENTION**—Intentional misstatements or omissions of facts constitute Federal Criminal Violations. (See 18 U.S.C. 1001 and 15 U.S.C. 70f(a))

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

BROKER OR DEALER **MMR INVESTMENT BANKERS, INC.**

**N 3**

100

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING AND  
CERTAIN OTHER BROKERS OR DEALERS**

as of (MM/DD/YY) 12-31-02 99  
 SEC FILE NO. 8-34906 98  
 Consolidated  198  
 Unconsolidated  199

**ASSETS**

	<u>Allowable</u>		<u>Non-Allowable</u>	<u>Total</u>
1. Cash .....	\$ 59,417	200		\$ 59,417 750
2. Receivables from brokers or dealers:				
A. Clearance account .....		295		
B. Other .....	13,740	300	550	13,740 810
3. Receivables from non-customers .....		355	600	830
4. Securities and spot commodities owned, at market value:				
A. Exempted securities .....		418		
B. Debt securities .....		419		
C. Options .....		420		
D. Other securities .....		424		
E. Spot commodities .....		430		850
5. Securities and/or other investments not readily marketable:				
A. At cost \$ .....	130			
B. At estimated fair value .....		440	610	860
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:				
A. Exempted securities \$ .....	150			
B. Other securities \$ .....	160			
7. Secured demand notes: .....		470	640	890
market value of collateral:				
A. Exempted securities \$ .....	170			
B. Other securities \$ .....	180			
8. Memberships in exchanges:				
A. Owned, at market \$ .....	190			
B. Owned, at cost .....			650	
C. Contributed for use of the company, at market value .....			660	900
9. Investment in and receivables from affiliates, subsidiaries and associated partnerships .....		480	670	910
10. Property, furniture, equipment, leasehold improvements and rights under lease agreements, at cost-net of accumulated depreciation and amortization .....		490	4,043 680	4,043 920
1. Other assets .....		535	735	930
2. <b>TOTAL ASSETS</b> .....	\$ 73,157	540	\$ 4,043 740	\$ 77,200 940

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**    **MMR INVESTMENT BANKERS, INC.**

as of 12-31-02

**STATEMENT OF FINANCIAL CONDITION FOR NONCARRYING, NONCLEARING  
AND CERTAIN OTHER BROKERS OR DEALERS**

**LIABILITIES AND OWNERSHIP EQUITY**

<u>Liabilities</u>	<u>A.I. Liabilities</u>	<u>Non-A.I. Liabilities</u>	<u>Total</u>
13. Bank loans payable.....	\$ 1045	\$ 1255	\$ 1470
14. Payable to brokers or dealers:			
A. Clearānce account.....	1114	1315	1560
B. Other.....	1115	1305	1540
15. Payable to non-customers.....	1155	1355	1610
16. Securities sold not yet purchased, at market value.....		1360	1620
17. Accounts payable, accrued liabilities, expenses and other.....	51,250 1205	1385	51,250 1685
18. Notes and mortgages payable:			
A. Unsecured.....	1210		1690
B. Secured.....	1211	1390	1700
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		1400	1710
1. from outsiders \$.....	970		
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	980		
B. Securities borrowings, at market value:...		1410	1720
from outsiders \$.....	990		
C. Pursuant to secured demand note collateral agreements:.....		1420	1730
1. from outsider: \$.....	1000		
2. Includes equity subordination (15c3-1 (d)) of .... \$.....	1010		
D. Exchange memberships contributed for use of company, at market value.....		1430	1740
E. Accounts and other borrowings not qualified for net capital purposes.....	1220	1440	1750
20. TOTAL LIABILITIES.....	\$ 51,250 1230	\$ 1450	\$ 51,250 1760

**Ownership Equity**

21. Sole proprietorship.....		\$ 1770	
22. Partnership (limited partners.....)	\$ 1020		1780
23. Corporation:			
A. Preferred stock.....			1791
B. Common stock.....		115,000	1792
C. Additional paid-in capital.....			1793
D. Retained earnings.....		(89,050)	1794
E. Total.....			1795
F. Less capital stock in treasury.....			1796
24. TOTAL OWNERSHIP EQUITY.....		\$ 25,950	1800
25. TOTAL LIABILITIES AND OWNERSHIP EQUITY.....		\$ 77,200	1810

FINANCIAL AND OPERATION COMBINED UNIFORM SINGLE REPORT  
PART IIA

BROKER OR DEALER **MMR INVESTMENT BANKERS, INC.**

as of 12-31-02

COMPUTATION OF NET CAPITAL

1. Total ownership equity from Statement of Financial Condition.....	\$	25,950		3480
2. Deduct ownership equity not allowable for Net Capital.....	▼		( )	3490
3. Total ownership equity qualified for Net Capital.....		25,950		3500
4. Add:				
A. Liabilities subordinated to claims of general creditors allowable in computation of net capital.....				3520
B. Other (deductions) or allowable credits (List).....				3525
5. Total capital and allowable subordinated liabilities.....	\$	25,950		3530
6. Deductions and/or charges:				
A. Total nonallowable assets from Statement of Financial Condition (Notes B and C).....	▼	\$ 4,043		3540
B. Secured demand note deficiency.....				3590
C. Commodity futures contracts and spot commodities- proprietary capital charges.....				3600
D. Other deductions and/or charges.....				3610
7. Other additions and/or allowable credits (List).....			( 4,043 )	3620
8. Net capital before haircuts on securities positions.....	▼			3630
9. Haircuts on securities (computed, where applicable, pursuant to 15c3-1 (f)):	\$			3640
A. Contractual securities commitments.....				3660
B. Subordinated securities borrowings.....				3670
C. Trading and investment securities:				
1. Exempted securities.....	▼			3735
2. Debt securities.....				3733
3. Options.....				3730
4. Other securities.....				3734
D. Undue Concentration.....				3650
E. Other (List).....				3736
10. Net Capital.....	\$	21,907		3740
				3750

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER MMR INVESTMENT BANKERS, INC.**

as of 12-31-02

**COMPUTATION OF BASIC NET CAPITAL REQUIREMENT**

**Part A**

11. Minimum net capital required (6-2/3% of line 19)	\$	3,416	37
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	5,000	37
13. Net capital requirement (greater of line 11 or 12)	\$	5,000	37
14. Excess net capital (line 10 less 13)	\$	16,907	37
15. Excess net capital at 1000% (line 10 less 10% of line 19)	\$	16,781	37

**COMPUTATION OF AGGREGATE INDEBTEDNESS**

16. Total A.L. liabilities from Statement of Financial Condition	\$	51,251	37
17. Add:			
A. Drafts for immediate credit	\$	3800	
B. Market value of securities borrowed for which no equivalent value is paid or credited	\$	3810	
C. Other unrecorded amounts (List)	\$	3820	383
19. Total aggregate indebtedness	\$	51,251	384
20. Percentage of aggregate indebtedness to net capital (line 19 ÷ by line 10)	%	234	385
21. Percentage of debt to debt-equity total computed in accordance with Rule 15c3-1 (d)	%		386

**COMPUTATION OF ALTERNATE NET CAPITAL REQUIREMENT**

**Part B**

22. 2% of combined aggregate debit items as shown in Formula for Reserve Requirements pursuant to Rule 15c3-3 prepared as of the date of the net capital computation including both brokers or dealers and consolidated subsidiaries' debits	\$	387
23. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note (A)	\$	388
24. Net capital requirement (greater of line 22 or 23)	\$	376
25. Excess net capital (line 10 less 24)	\$	391
26. Net capital in excess of: 5% of combined aggregate debit items or \$120,000	\$	392

OMIT PENNII

**NOTES:**

- (A) The minimum net capital requirement should be computed by adding the minimum dollar net capital requirement of the reporting broker dealer and, for each subsidiary to be consolidated, the greater of:
1. Minimum dollar net capital requirement, or
  2. 6-2/3% of aggregate indebtedness or 2% of aggregate debits if alternative method is used.
- (B) Do not deduct the value of securities borrowed under subordination agreements or secured demand note covered by subordination agreements not in satisfactory form and the market values of memberships in exchanges contributed for use of company (contra to item 1740) and partners' securities which were included in non-allowable assets.
- (C) For reports filed pursuant to paragraph (d) of Rule 17a-5, respondent should provide a list of material non-allowable assets.

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**    MMR INVESTMENT BANKERS, INC.

For the period (MMDDYY) from 1-1-02	3932	to 12-31-02	3933
Number of months included in this statement	12		3931

**STATEMENT OF INCOME (LOSS)**

**REVENUE**

<b>1. Commissions:</b>			
a. Commissions on transactions in exchange listed equity securities executed on an exchange	\$		3935
b. Commissions on listed option transactions	33		3938
c. All other securities commissions			3939
d. Total securities commissions			3940
<b>2. Gains or losses on firm securities trading accounts</b>			
a. From market making in options on a national securities exchange			3945
b. From all other trading			3949
c. Total gain (loss)			3950
<b>3. Gains or losses on firm securities investment accounts</b>			
			3952
4. Profit (loss) from underwriting and selling groups	314,868		3955
5. Revenue from sale of investment company shares			3970
6. Commodities revenue			3990
7. Fees for account supervision, investment advisory and administrative services	273,414		3975
8. Other revenue	50,108		3995
9. Total revenue	\$ 638,390		4030

**EXPENSES**

10. Salaries and other employment costs for general partners and voting stockholder officers	\$	112,017	4120
11. Other employee compensation and benefits	395,841		4115
12. Commissions paid to other broker-dealers			4140
13. Interest expense			4075
a. Includes interest on accounts subject to subordination agreements	4070		
14. Regulatory fees and expenses	10,149		4195
15. Other expenses	127,436		4100
16. Total expenses	\$ 645,443		4200

**NET INCOME**

17. Net income (loss) before Federal income taxes and items below (Item 9 less Item 16)	\$	(7,053)	4210
18. Provision for Federal income taxes (for parent only)			4220
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above			4222
a. After Federal income taxes of	4238		
20. Extraordinary gains (losses)			4224
a. After Federal income taxes of	4239		
21. Cumulative effect of changes in accounting principles			4225
22. Net income (loss) after Federal income taxes and extraordinary items	\$	(7,053)	4230

**MONTHLY INCOME**

23. Income (current month only) before provision for Federal income taxes and extraordinary items	\$		4211
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**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**                      **MMR INVESTMENT BANKERS, INC.**

For the period (MMDDYY) from 1-1-02 to 12-31-02

**STATEMENT OF CHANGES IN OWNERSHIP EQUITY  
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)**

1. Balance, beginning of period .....	\$	33,003	4240
A. Net income (loss) .....		(7,053)	4250
B. Additions (Includes non-conforming capital of .....	\$	4262	4260
C. Deductions (Includes non-conforming capital of .....	\$	4272	4270
2. Balance, end of period (From item 1800) .....		\$ 25,950	4290

**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED  
TO CLAIMS OF GENERAL CREDITORS**

3. Balance, beginning of period .....	\$		4300
A. Increases .....			4310
B. Decreases .....			4320
4. Balance, end of period (From item 3520) .....		\$	4330

OMIT PENNIES

**FINANCIAL AND OPERATIONAL COMBINED UNIFORM SINGLE REPORT  
PART IIA**

**BROKER OR DEALER**     **MMR INVESTMENT BANKERS, INC.**

as of 12-31-02

**Exemptive Provision Under Rule 15c3-3**

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based (check one only)

A. (k) (1)—\$2,500 capital category as per Rule 15c3-1 .....	4550
B. (k) (2)(A)—"Special Account for the Exclusive Benefit of customers" maintained .....	4560
C. (k) (2)(B)—All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm " <u>4335</u> .....	4570
D. (k) (3)—Exempted by order of the Commission .....	4580

**Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.**

Type of Proposed withdrawal or Accrual See below for code to enter	Name of Lender or Contributor	Insider or Outsider? (In or Out)	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	(MMDDYY) Withdrawal or Maturity Date	Expect to Renew (yes or no)	
Y	4600	4601	4602	4603	4604	4605
Y	4610	4611	4612	4613	4614	4615
Y	4620	4621	4622	4623	4624	4625
Y	4630	4631	4632	4633	4634	4635
Y	4640	4641	4642	4643	4644	4645
Y	4650	4651	4652	4653	4654	4655
Y	4660	4661	4662	4663	4664	4665
Y	4670	4671	4672	4673	4674	4675
Y	4680	4681	4682	4683	4684	4685
Y	4690	4691	4692	4693	4694	4695
<b>TOTAL \$</b>			<b>NONE</b>	4699		

OMIT PENNIES

**Instructions:** Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

<b>WITHDRAWAL CODE:</b>	<b>DESCRIPTION</b>
1.	Equity Capital
2.	Subordinated Liabilities
3.	Accruals
4.	15c3-1(c)(2)(iv) Liabilities

TO BE COMPLETED WITH THE ANNUAL AUDIT REPORT ONLY:

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this report

Name (If individual, state last, first, middle name)

RICKORDS & ASSOCIATES, P.C.  
617 N. 17TH STREET, SUITE 100 COLORADO SPRINGS

CO 70

80904

ADDRESS      Number and Street      City      State      Zip Code

71

72

73

74

Check One

Certified Public Accountant

75

FOR SEC USE

Public Accountant

76

Accountant not resident in United States or any of its possessions

77

DO NOT WRITE UNDER THIS LINE ... FOR SEC USE ONLY

WORK LOCATION	REPORT DATE MM/DD/YY	DOC. SEQ. NO.	CARD				
50	51	52	53				

MMR INVESTMENT BANKERS, INC.

Computation for Determination of Reserve  
Requirements in accordance with Rule 15c3-3

and

Reconciliation of Computation of Reserve  
Requirements pursuant to Rule 17a5(d) (4)

and

Information Relating to the Possession or  
Control Requirements under Rule 15c3-3

Under the Securities Exchange Act of 1934

December 31, 2002

Under Rule 15c3-3(k)(2)(B) MMR Investment Bankers, Inc. is exempt from a computation for determination of Reserve Requirements as required under 15c3-3 the respective Reconciliation of Computation for determination of Reserve Requirements as required under Rule 17a-(d)(4) and information related to the possession or control required under Rule 15c3-3.

MMR INVESTMENT BANKERS, INC.

Computation of Aggregate indebtedness and net capital in accordance with Rule 15c3-1 under the Securities Exchange Act of 1934.

December 31, 2002

Aggregate indebtedness	
Accrued expense	<u>\$ 51,251</u>
Total aggregate indebtedness	<u>\$ 51,251</u>
Net capital:	
Credit items:	
Retained earnings	\$ (89,050)
Common Stock	<u>115,000</u>
Total credit items	<u>25,950</u>
Deductions and charges:	
Non-allowable assets	<u>4,043</u>
Total deductions and charges	<u>4,043</u>
Net Capital	<u>\$ 21,907</u>
Capital requirements:	
Required capital	\$ 5,000
Net capital in excess of requirements	<u>16,907</u>
Net capital	<u>\$ 21,907</u>
Percent of aggregate indebtedness to net capital	<u>234%</u>

There were no liabilities subordinated to claims of general creditors.

MMR INVESTMENT BANKERS, INC.

Reconciliation of Net Capital Pursuant to Rule 15c3-1  
Under the Securities Exchange Act of 1934

December 31, 2002

Computation of Net Capital:

Net capital as reported on 17a-5(a) (Focus Report) as of December 31, 2002	<u>\$ 21,907</u>
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There were no adjustments that affected net capital.



RICKORDS & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

617 North 17<sup>th</sup> Street  
Colorado Springs, CO 80904  
(719) 444-0770 (800) 480-0770 Toll Free  
(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

Accountants' Report of Material Inadequacies

Our examination of the basic financial statements presented in the preceding section of this report was made in accordance with Rule 17a-5(j). In our opinion, no material inadequacies were found to exist in the accounting system and procedures or the system for handling and safeguarding customers' securities during the years ended December 31, 2002 and 2001.

*Rickords & Associates, P.C.*  
*Rickords & Associates, P.C.*  
Rickords & Associates, P.C.  
February 18, 2003



RICKORDS & ASSOCIATES, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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(719) 444-0909 Fax (877) 457-2232 Toll Free Fax

Board of Directors  
MMR Investment Bankers, Inc.

In planning and performing our audit of the financial statements and supplemental schedules of MMR Investment Bankers, Inc., (the Company) for the year ended December 31, 2002, we considered its internal control structure, including procedure for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications and comparisons
2. Recordation of differences required by rule 17a-13
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures, and of the practices and procedures referred to in the preceding paragraph, and to assess whether those practices and procedures can

be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving the internal control structure, including procedures for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's

Board of Directors  
February 18, 2003  
Page 3

practices and procedures were adequate at December 31, 2002 to meet the Commission's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, National Association of Securities Dealers, Inc. (NASD), and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and should not be used for any other purposes.

*Rickords & Associates, P.C.*  
*Rickords & Associates, P.C.*  
Rickords & Associates, P.C.  
February 18, 2003